

Message Text

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ORIGIN PM-05

INFO OCT-01 ARA-10 ISO-00 NSC-05 SP-02 SS-15 ACDA-12
CIAE-00 INR-10 NSAE-00 MCE-00 AID-05 L-03 HA-05
/073 R

DRAFTED BY DA/DALO/SC:MAJ. GARVIN
APPROVED BY PM:RAERICSON
PM/SAS:HMCELROY
ARA/AND/E:VGRAHAM
ARA/RPP:SQUIGG
ACDA/WEC/ATE:LWATSON (INFO)
T:WMARSH (INFO)
DOD/ISA/IA:JMAY

-----057873 101731Z /47

R 101524Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY QUITO
INFO SECDEF WASHDC SA/DSAA
USMLO ECUADOR
DA WASH DC DAMO-SAA/DALO-SAC/DAMI-FL
CDR USASAC ALEX VA DRSAC-MM/LA
USCINCSO QUARRY HTS CZ SASA
CDR USASAAL FT AMADOR CZ MOLA/SA

C O N F I D E N T I A L STATE 061856

E.O. 11652: GDS

TAGS: MASS, EC

SUBJECT: GOE REQUEST FOR SPECIAL PRICE AND EARLY DELIVERY
OF CHAPARRAL/VULCAN

REFS: A. QUITO 1082 (DTG 172315Z FEB 78)
B. QUITO 1212 (DTG 242240Z FEB 78)
C. US ARMY CHAPARRAL/VULCAN SURVEY REPORT FOR THE
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GOVERNMENT OF ECUADOR JANUARY 1978 (NOTAL)
D. MEETING 3 MARCH 78 BETW MR. CORR, CHARGE D'AFFAIRES
AMEMB QUITO AND MR. VIOLETTE, DIRECTOR, OPERATIONS
DIRECTORATE, WITH REPS FROM OASD(ISA), STATE AND DA

1. THIS IS IN RESPONSE TO REF A WHICH REQUESTED SPECIAL
CONSIDERATION FOR A REDUCED PRICE AND EXPEDITIOUS

DELIVERY OF A COMBINATION CHAPARRAL/VULCAN AIR DEFENSE SYSTEM FOR ECUADOR.

2. THE USG IS PREPARED TO PROVIDE VULCAN/CHAPARRAL SYSTEMS TO ECUADOR; ACCELERATED DELIVERY IS NOT POSSIBLE, HOWEVER, SINCE ALL HARDWARE IN CURRENT U.S. ARMY INVENTORY IS COMMITTED TO USG REQUIREMENTS. LEAD TIME FOR CHAPARRAL MISSILE IS EIGHTEEN (18) TO TWENTY FOUR (24) MONTHS. PACING ITEMS ARE CHAPARRAL FIRE UNIT (LAUNCHER) AND VULCAN SYSTEM FIRE UNITS. LEAD TIMES ARE APPROXIMATELY THIRTY (30) MONTHS FOR CHAPARRAL LAUNCHER, THIRTY ONE (31) MONTHS FOR TOWED VULCAN AND THIRTY SIX (36) MONTHS FOR SELF-PROPELLED VULCAN.

3. A "SPECIAL" PRICE REDUCTION FOR ECUADOR IS NOT POSSIBLE. FYI TUNISIA WAS NOT GIVEN A SPECIAL PRICE FOR CHAPARRAL SYSTEM, RATHER A REPLACEMENT PRICE WAS CHARGED IN ACCORDANCE WITH APPLICABLE LEGISLATION AND DOD DIRECTIVES. PRICES FOR GOE WILL BE DEVELOPED IN SAME MANNER. END FYI.

4. APPROXIMATE BUDGETARY PRICES FOR MAJOR ITEMS ARE AS FOLLOWS:

A. CHAPARRAL FIRE UNIT: \$864K
B. CHAPARRAL MISSILE: \$59K
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C. VULCAN FIRE UNIT-SP: \$695.5K
D. VULCAN FIRE UNIT-TOWED \$443.8K

ABOVE PRICES DO NOT RPT NOT INCLUDE ANCILLARY EQUIPMENT, SPARE PARTS, FOLLOW-ON SUPPORT, MAINTENANCE EQUIPMENT, OR TRAINING.

5. PRODUCTION OF CHAPARRAL FIRE UNITS (LAUNCHERS) WILL BE FROM A COLD PRODUCTION BASE REQUIRING SOME START UP COSTS. CURRENT CHAPARRAL MISSILE PRODUCTION IS DUE TO BE COMPLETED IN JUNE 1980; ACCEPTANCE OF AN LOA BY ECUADOR IS REQUIRED, THEREFORE, NLT SEPTEMBER 78 TO ENSURE WARM MISSILE PRODUCTION BASE. CONGRESSIONAL REVIEW REQUIRED PRIOR TO RELEASE OF LOA. WE DO NOT UNDERSTAND BASIS FOR CALCULATION OF QUANTITY OF MISSILES LISTED IN REF B, PARAS 2 AND 3. REQUEST YOU FURNISH INFO AS TO PLANNING FIGURE USED FOR NUMBER OF MISSILES REQUIRED PER FIRE UNIT AND HOW MANY MISSILES ARE REQUIRED FOR ANNUAL SERVICE PRACTICE (ASP). IT IS NOT KNOWN AT THIS TIME WHETHER THERE WILL BE ANY ADDITIONAL MISSILE BUYS. ECUADOR MAY WISH TO CONSIDER AN INCREASED BUY OF MISSILES TO COVER ANTICIPATED ASP

REQUIREMENTS SO AS TO TAKE ADVANTAGE OF A WARM PRODUCTION
BASE.

6. TRAINING LEAD TIME MUST BE ADDRESSED EARLY TO ENSURE
THAT QUALIFIED PERSONNEL ARE AVAILABLE WHEN FIRST FIRE

UNITS ARE DELIVERED. HOWEVER, TRNG REQUIREMENTS CAN BE
ADDRESSED ONLY AFTER ORGANIZATION, MAINTENANCE/SUPPLY,
COMMAND/CONTROL AND EMPLOYMENT CONCEPTS HAVE BEEN
ESTABLISHED. AS AGREED BY CORR DURING MEETING AT DOD
(REF D), SERVICES OF A SPECIAL SURVEY TEAM AS RECOMMENDED
BY REF C WILL BE ADDED AS SEPARATE LINE ITEM TO TWO LOAS

CURRENTLY BEING PREPARED BY DA. SURVEY TEAM IS OF UTMOST
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IMPORTANCE SO THAT A COMPREHENSIVE PLAN CAN BE DEVELOPED
WHICH WILL ENSURE CONSIDERATION OF ALL ASPECTS OF A
TOTAL AIR DEFENSE PACKAGE. END RESULT WILL BE A TIME
PHASED INTRODUCTION OF CHAPARRAL-VULCAN UNITS INTO
ECUADOREAN ARMED FORCES. THIS WILL ALSO PROVIDE FOR
EARLIEST POSSIBLE BATTERY/BATTALION OPERATIONAL READY
DATES WITH ADEQUATE DIRECT/GENERAL SUPPORT MAINTENANCE
CAPABILITY TO ENSURE SUSTAINABILITY.

7. WITH REGARD TO PROPOSED ECUADOREAN COMMISSION
VISIT TO WASH (REF A) AND AS AGREED DURING MTG NOTED
IN REF D, DOD IS PREPARED TO RECEIVE, AT ECUADOREAN
EXPENSE, A VISIT BY ECUADOREAN OFFICIALS TO US. FYI
STRONGLY REQUEST THAT PRIOR TO ITS DEPARTURE, YOU MAKE
CLEAR TO VISITING DELEGATION THAT EARLY DELIVERY OF,
AND SPECIAL PRICES FOR, AIR DEFENSE SYSTEMS CANNOT BE
ACCOMMODATED END FYI. AS ALSO DISCUSSED, DA IS CURRENTLY
INVESTIGATING POSSIBILITY OF COMMISSION OBSERVING A
CHAPARRAL FIRING DEMONSTRATION. DA WILL ADVISE.

8. WHEN POINTED OUT TO CORR DURING REF D MTG THAT
NOMENCLATURE FOR CHAPARRAL MISSILES AS SUBMITTED IN
PARAS 2D AND 3D OF REF B WAS INCORRECT, HE ADVISED IT
SHOULD HAVE BEEN MIM-72A REPEAT A. MIM-72C IS IMPROVED
CHAPARRAL MISSILE WHICH IS NOT RELEASEABLE TO ECUADOR.
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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR DEFENSE, MILITARY SALES, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 mar 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE061856
Document Source: CORE
Document Unique ID: 00
Drafter: MAJ. GARVIN
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780108-0611
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780381/aaaacqsr.tel
Line Count: 162
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e795acc9-c288-dd11-92da-001cc4696bcc
Office: ORIGIN PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 QUITO 1082, 78 QUITO 1212
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3370062
Secure: OPEN
Status: NATIVE
Subject: GOE REQUEST FOR SPECIAL PRICE AND EARLY DELIVERY OF CHAPARRAL/VULCAN
TAGS: MASS, EC, US
To: QUITO
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/e795acc9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014